

USAID Project No. 492-0456

**AMENDMENT NO. 8**

**TO THE**

**PROJECT GRANT AGREEMENT**

**BETWEEN THE**

**REPUBLIC OF THE PHILIPPINES**

**AND THE**

**UNITED STATES OF AMERICA**

**FOR THE**

**MINDANAO DEVELOPMENT PROJECT**

**Date:** September 28, 1999

## MINDANAO DEVELOPMENT PROJECT

### AMENDMENT NO. 8 TO PROJECT GRANT AGREEMENT NO. 492-0456

THIS AMENDMENT No. 8 is entered into as of the 28th day of September, 1999 between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("USAID").

WHEREAS, the Grantee and U.S.A.I.D. entered into Project Grant Agreement No. 492-0456 (the "Agreement") on September 28, 1990, whereby USAID agreed to provide an initial increment of \$14,484,000 in Grant funds for the Mindanao Development Project (the "Project").

WHEREAS, through seven previous amendments to the Agreement, the amount of Grant funds was increased to US\$101,749,444;

WHEREAS, USAID desires to increase further the amount of Grant Funds by US\$967,000;

NOW, THEREFORE, the Grantee and USAID hereby agree to amend the Agreement as follows:

1. Paragraph (a) of Section 3.1 (the "Grant") is amended by deleting the phrase "One Hundred One Million Seven Hundred Forty Nine Thousand Four Hundred Forty Four United States ("U.S.") Dollars (\$101,749,444), ("Grant") and substituting the phrase "One Hundred Two Million Seven Hundred Sixteen Thousand Four Hundred Forty Four United States Dollars (\$102,716,444) ("Grant")."

2. Paragraph (b) of Section 3.2 ("Grantee Resources for the Project") is amended in its entirety to read as follows:

"Resources provided or caused to be provided by the Grantee for the Project will not be less than the equivalent of US \$34,238,814.67 in cash and/or "in kind". An additional Pesos 55,183,962.95 (\$2,173,289.01) will be in cash expenditures to offset value-added tax (VAT) charges, including expanded VAT charges, assessed on Grant-financed goods and services during the life of the Agreement."

3. Annex I (amplified Project Description") is amended by deleting Attachment I thereto ("Financial Plan") and substituting therefore the new version of Attachment 1 which is attached hereto.

Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

By: F-

Felipe M. Medalla  
Director-General  
National Economic and  
Development Authority

By: Patricia K. Buckles

Patricia K. Buckles  
Mission Director  
U.S. Agency for  
International Development

Illustrative

Amendment No. 8  
Attachment 1

MINDANAO DEVELOPMENT PROJECT  
REVISED FINANCIAL PLAN  
PROJECT NO. 492-0456  
(in U.S. Dollars)

PROJECT ELEMENT	OBLIGATION after MDP Am. No. 7	ADJUSTMENT in OBLIGATION	REVISED LIFE-OF-PROJECT AMOUNTS	
			AID	GOP/PRIVATE SECTOR 1/
1. GSC Airport	30,843,337.48		30,843,337.48	11,630,383.48
2. Makar Port Improvement	13,573,566.58		13,573,566.58	4,564,177.97
3. Agro-Processing Complex				
4. Growth Plan	43,207,539.94	967,000.00	44,174,539.94	15,499,069.96
5. Other Studies	250,803.06		250,803.06	88,596.23
6. Monitoring, Eval. & Audit	1,169,000.00		1,169,000.00	394,810.39
7. South Cotabato Highways	12,705,196.94		12,705,196.94	4,235,065.65
<b>TOTAL</b>	<b>101,749,444.00</b>	<b>967,000.00</b>	<b>102,716,444.00</b>	<b>36,412,103.68</b>
				<b>139,128,547.68</b>

(Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15 percent per line item; provided, however, that the total obligated amount as shown in the budget is not exceeded, the total contribution by the Grantee is not reduced, and the amount budgeted for evaluation and audit is not reduced.)

1/ Counterpart Contribution will be as follows:

	In Cash/Kind	In Cash Expenditures For VAT	Total
Gerry Roxas Foundation	\$ 903,205.00	\$ 9,100.00 (or Pesos 227,500)	\$ 912,305.00
Rural Bankers' Association of the Philippines	\$ 1,766,666.67	\$ 104,224.51 (or Pesos 2,605,612.84)	\$ 1,870,891.18
Others	\$ 31,568,943.00	\$ 2,059,964.50 (or Pesos 52,350,850.11)	\$ 33,628,907.50
<b>Total</b>	<b>\$ 34,238,814.67</b>	<b>\$ 2,173,289.01 (or Pesos 55,183,962.95)</b>	<b>\$ 36,412,103.68</b>

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l:\others\soag\mdpbud8v3.xls